

CITY COMMISSION MINUTES

February 16, 2010

7:00p.m.

The regular meeting of the Junction City City Commission was held on Tuesday, February 16, 2010 with Mayor Terry Heldstab presiding.

The following members of the Commission were present: Terry Heldstab, Scott Johnson, Mike Rhodes, Ken Talley, and Jack Taylor. Staff present was: City Manager, Gerry Vernon, Assistant City Manager Mike Guinn, City Attorney Catherine Logan, and Deputy City Clerk Tricia Gowen.

Mayor Heldstab introduced the new City Manager, Gerry Vernon and welcomed him. Mr. Vernon stated that it is good to be back in Kansas and he looks forward to working for the City.

Mayor Heldstab and Representatives from the Junction City South Kiwanis presented the Most Improved Student Award to students selected from schools in USD 475.

GENERAL DISCUSSION

Scott Johnson, 602 Stone Ridge, Junction City stated that he read the Governing Handbook from the League of Kansas Municipalities and wanted to highlight some of the items he read. On page two, it states that the Commission should read everything. Mr. Johnson stated that he can't imagine some of these things would have been passed if the entire documents had been read. He also stated that the Commission must look out for the future generations of the community. He also reviewed public trust and stated that he doesn't think the Commission has the public's trust and that the Commission has given favoritism in the past; everyone should be treated the same and the Commission hasn't adhered to that. He stated that the Commission has used public funds for non-traditional purposes; the funds should be used to benefit all in the community. Mr. Johnson stated that the Commission should stick to the rules and no special treatment should be given to anyone. He stated that the City should disclose all information concerning bonds. Mr. Johnson stated that it is very important that the City follow this book.

Ed Smith, 503 S. Spring Valley Road, Junction City stated that he requested all documents relating to Eden Space, the City and Spirit of '76. He stated that the documents stated that Eden Space would not relocate to Junction City unless they received money from the City. He stated that the documents may be modified; however, he could not find any changes to the agreement. Mr. Smith stated that he created a timeline for Eden Space and that the documents were submitted on April 23, 2007. On June 29, 2007, three checks were written in the amounts of \$500,000, \$300,000 and \$2,874,978.50. At least one of these checks were for payment of stock in Eden Space. From what he can tell, the other two checks were for forgivable loan grants and the \$500,000 and \$300,000 checks were not to be issued until the closing date; however, he can't find when the closing date was supposed to be. Mr. Smith stated that in 2008, five checks were paid to Deam & Deam for approximately \$192,000. He could not find any explanation as to why Deam and Deam was paid. Mr. Smith stated that it has been three years and Eden Space is still located in Manhattan and the taxpayers of Junction City are paying for this project. Mr. Smith stated that the checks were issued without authority unless someone authorized Rod Barnes to issue the checks. Someone needs to tell

Eden Space that this is wrong and the City Commission should ask Eden Space to repay the money. Commissioner Johnson inquired to EDC Chair Ben Kitchens if it was true that Deam and Deam had been paid approximately \$192,000 for a building that has not been built. Mr. Kitchens stated that Deam and Deam was the architect on the project and he contends that it is true that the money was paid. Mr. Kitchens stated that this project was approved in 2007 before the economy downturn had begun. He stated that Deam and Deam did what was asked of them for the project. Financing for the project could not be secured when the economy began to fail. City Attorney, Katie Logan, stated that she has not had the opportunity to fully review this project. Ms. Logan stated that the initial closing date was when the City would purchase stock and this is when the checks were cut. The City committed to purchasing the stock. The next step was to have the building built; however, the market would not support this project. Commissioner Johnson stated that he wants to buy his own stock. He stated that the agreement states that if the City doesn't provide the money, Eden Space won't relocate to Junction City. He inquired if there was any chance of the City getting the money back. Mr. Kitchens stated that Eden Space still wants to relocate to Junction City and that there are on-going discussions. Commissioner Taylor inquired as to who was the City's legal counsel at the time of this project. Mr. Kitchens stated that he came onto the EDC Board late in this project. Commissioner Taylor stated the he fears this project was rubber stamped without the City's attorney reviewing the agreement.

Deb Johnston, 1320 McFarland Road, Junction City inquired as to who the Commissioner appointed to the EDC Board at the time of the Eden Space agreement and would like the answer at the next Commission meeting.

Joniece Pitts, 414 W. Roosevelt, Junction City invited the Commission and the public to the Juneteenth Family Fun Night on February 27, 2010 fro 3 to 6 p.m. at the 12th Street Community Center. She asked the Commission to participate in the Tic Tac Toe panel at 3:30 p.m. This is an event to celebrate and educate people about Black History Month. Attendees are asked to bring a non-perishable food item to be donated to the Food Pantry. Ms. Pitts stated that local merchants have donated items for prizes for the winners of the activities.

Mark Sanders, 2726 Glenn Dean Road, Junction City inquired as to who is responsible for writing, updating and changing City ordinances. City Attorney, Katie Logan, stated that when directed by the Commission, she works with the ordinances. Mr. Sanders stated that he rarely sees the ordinances published. He wants the Commission to change something so that when ordinances are changed, it's done right. Ms. Logan stated that she has reviewed all revisions, creations, etc. since she has become City Attorney. Mr. Sanders asked why the ordinances are not published. Ms. Logan stated that all the ordinances have been published and it is by law that they must be published. Mr. Sanders asked if the ordinances can be posted to the web site. Mr. Sanders asked when the Commission will fill the Finance Manager position because it is time to do this. Mayor Heldstab stated this is a top priority. City Manager, Gerry Vernon, stated that he wants to get a feel for the financial situation before making a decision regarding the Finance Manager position. Mr. Vernon also stated that he has an appointment with the Information Systems Director to review the City's web site and stated that this is a priority to ensure citizens have up-to-date and accurate information on the web site.

John Stewart, 1026 W. Spruce, Junction City welcomed the new City Manager and wished him luck. Mr. Stewart inquired about the economic impact study of Freeman Field and if it had been done. He asked about the number of employees at the airport because he has

only seen one to two people. He stated that the heliport is important; however, he feels it can be relocated elsewhere in the community. Mr. Stewart stated that \$2.7 million has been allocated for streets; this is a hot topic and a public forum should be held. Mr. Stewart asked where he can get a copy of the study that was done at the intersection on Chestnut for the placement of yield/stop signs. Commissioner Johnson asked what is the economic impact of the airport and who is using the airport; what are the costs for those who do not utilize the airport. Mr. Stewart stated that when the Commission asks questions in a public forum the answers should be presented in a public forum.

Terry Fleming, 1112 N. Washington stated that a new sewer manhole was installed on Snell Avenue and the ground around the manhole has begun to settle. Assistant City Manager, Mike Guinn, stated that a work order has been submitted to Veolia.

Ben Kitchens, 611 Country Club Terrace, Junction City stated that he would like to see the supporting documents with the agenda on the City's website to provide background information and there will be a better understanding of the items the Commission will address on the agenda.

Deb Johnston, 1320 McFarland Road, Junction City stated that transparency is needed; whoever takes money from the City should be held accountable. Their minutes should be posted on the City's web site.

Commissioner Johnson inquired what was with the five minute limit; is it a law? He stated he would stay until three a.m. to get everyone's comments heard.

Catalina Davis, 1409 Bel Air, Junction City stated that she has experienced problems with her sewer line backing up in her basement twice in the past week. She wants to know what the City can do for her. She inquired if something can be done to prevent her sewer from backing up again. She stated that she had a plumber clean her sewer line from her house to the City line in mid-January of this year. She stated that employees had come out and ran the City line. She stated that the City's line is full of roots. Assistant City Manager, Mike Guinn, stated that he will contact Veolia and get in touch with Mrs. Davis.

CONSENT AGENDA

All items listed are considered to be routine by the City Commission and will be enacted by one motion. There will be no separate discussion of these items unless a Commissioner or a citizen so requests, in which event the item will be removed from consent status and considered in its normal sequence on the agenda. Commissioner Rhodes moved, seconded by Commissioner Taylor to approve the Consent Agenda. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: None. Motion Carried.

- a. Approval of the **February 2, 2010** City Commission Meeting Minutes, approval of the **January 27, 2010** Special City Commission Meeting Minutes.
- b. The consideration and approval of **Payroll #1 and #2** for the month of January 2010.
- c. Monthly Reports:
 1. Rolling Meadows Report
 2. Water Department Report

3. Personnel Report
 4. Fire Report
 5. EMS Report
 6. Police Report
 7. Codes and Inspections Report
- d. The consideration and approval of **Ordinance G-1063** adopting the recommendation of the Junction City/Geary County Metropolitan Planning Commission (MPC) to amend the Junction City Zoning Regulations. **(Final Reading)**
 - e. The consideration and approval of **Ordinance G-1064** amending Title V, Building and Construction, of the Municipal Code of the City of Junction city by adding the Day Care Inspection Code. **(Final Reading)**
 - f. The consideration and approval of Pay **Estimate #13 by Konza Construction Co., Inc. in the amount of \$106,342.30** for Construction Services through November 30, 2009 on the Rucker road – Whitney to US-77 project. This project is 98.9% complete as of this pay estimate.
 - g. The consideration and approval of the final **Pay Estimate #14 by Konza Construction Co., Inc. in the amount of \$32,200.00** for Construction Services through November 30, 2009 on the Rucker road – Whitney to US-77 project. This project is 100% complete as of this pay estimate.
 - h. The Consideration and approval for **Change Order #8, in the decreased amount of \$1,497.20**, by Konza Construction for construction Services on the Rucker Road – US-77 to Whitney project. This will make the total contract, not to exceed, \$3,179,168.78.
 - i. The consideration and approval of **Appropriation Ordinance** dated January 28, 2010 to February 10, 2010 in the amount of \$610,082.70.

SPECIAL PRESENTATIONS

- a. An **update from Denise Ott** on the Military Affairs Council. Ms. Ott updated the Commission on "Numbers at a Glance" for Fort Riley. She stated that the Fort Riley area is the "place to be" for soldiers and also for soldiers who are retiring. Ms. Ott stated that the Headquarters Division recently deployed and that the 4th Brigade will return in August of this year. The Aviation unit deploys in March. By the summer of 2011, all the brigades should be at Fort Riley. More families are staying during the deployments because the soldiers and their families are getting established before the soldiers deploy. Ms. Ott stated that it is possible that by 2013 there could be more than 19,000 soldiers stationed at Fort Riley. Ms. Ott informed the Commission that Staffers Day will be March 31st and April 1st. The Military Affairs Council is partnering with the Dorothy Bramlage Library for the Big Read. Commissioner Johnson stated that he has heard rumors that Picerne Housing is building more homes. Ms. Ott stated that she has heard they will build an additional 400 to 500 units that are designed for the lower enlisted soldiers with three to five children. Picerne has the ability to build housing for these types of families. Junction City has the ability to provide the needed two bedroom units. The Army believes that 56% of soldiers have dependents and that two thirds will be housed off-post. Commissioner Taylor inquired why Junction City should have to build the two bedroom units; why shouldn't

Picerne build them as well? Mayor Heldstab stated that the Army is only suggesting that Junction City build the two bedroom units. Ms. Ott stated that the BAH that soldiers receive is intended to cover rent, utilities and renter's insurance.

- b. A special presentation of **City Proclamation** recognizing March 11-17, 2010 as Combat Aviation Brigade Appreciation Days. Mayor Heldstab read the City Proclamation recognizing March 11-17, 2010 as Combat Aviation Brigade Appreciation Days.
- c. The **National Biplane Association** has been held in Bartlesville, OK for the last 20+ years and now Junction City has the opportunity to host the event. Jim Clark stated that there are nine full time jobs at Freeman Field; and that there are usually 10 employees. The other company located at Freeman Field is Raven Aero has been at the airport for fourteen years. Raven Aero draws business from all over the United States and has a two year backlog of work. They have been trying to hire additional employees and they are out of work space. Mr. Clark informed the Commission that on Thursday evenings there are eight to twelve military personnel attending classes through Kansas State University at Freeman Field. There is a youth program that is held on Saturdays at Freeman Field. The flight crew for Lifestar is also located at Freeman Field. The airport gets quite a bit of use along with the airplanes that fly in and out of the airport. Mr. Clark stated that the EEA and the Flinthills Flyers hold an event the first weekend in June and have 2,000 to 5,000 attendees along with approximately 115 vintage bi-planes and 241 aircraft. He stated that Freeman Field has two great grass runways that are perfect for these planes. Parking would be needed for the aircraft and has suggested two areas for parking at Freeman Field. The acreage used for farmland would have to go back to grass for the event. The flyers bring in their own equipment for their aircrafts. The area proposed for the parking is approximately ten acres and the rent is \$80 per acre. The loss would be \$800. The area would have to be mowed and seeded with grass. The farm land is contracted year to year. The event would take place in June 2010. Mr. Clark stated they have volunteers that are willing to do the work to prepare for the event. The idea is to have this event held in Junction City on an annual basis beginning with 2010. Commissioner Taylor inquired if these organizations are asking for financial funding from the City for the event. Mr. Clark stated that the City will not be asked for any financial support. Mr. Clark stated that this could be a really great event for Junction City. When the Journeys event was held at Freeman Field, there was a steady stream of people attending the event with only 14 vintage aircraft. EEA provides insurance for the event. City Attorney, Katie Logan, stated that it would be prudent to have an agreement with the organizations to specify the responsibility of the organizations and the City. EEA should provide evidence of insurability. Mr. Clark stated that he has spoken to the individual who farms this land and he is fine with the area being used for parking. Mr. Clark stated that there are restroom facilities in Kansas Air and the hangar that will be available to the public. Commissioner Johnson moved, seconded by Commissioner Talley to approve the planting of grass in the suggested areas one and two for the National Biplane Association. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: None. Motion Carried. The Commission directed the City Attorney to work with Jim Clark to develop an agreement.
- d. Kaw Valley Engineering to present an award for projects. Leon Osbourn with Kaw Valley Engineering presented the Commission for the round-a-bout on East Chestnut and I-70. The award was first place for the concrete work. This is the second award this area has been awarded. Mr. Osbourn stated that on behalf of Kaw Valley Engineering, he thanked the City for allowing them to be the engineer on the project. Commissioner

Taylor stated that he hears nothing but compliments on the round-a-bout and that it was well designed. He would like to see a round-a-bout at 18th and Jackson.

PUBLIC HEARINGS

- a. David Arteberry with George K. Baum and Company informed the Commission that this action will allow the City to take the outstanding temporary notes and covert them into permanent financing. All of the owners in these project areas have been notified of this public hearing. Upon closing the public hearing, the Commission will vote on the assessment ordinance. There will be a thirty day prepayment period that allows the owners to pay the special assessments in full instead of paying them over the next twenty years. Mr. Arteberry stated that the authorization for the sale of the bonds will occur in late March, early April. Then the Commission will need to pass a bond ordinance and resolution to lock in the interest rates on the bonds. The issue should close in May of this year to allow the payment of outstanding notes by June 1, 2010. Mr. Arteberry stated that he will submit the issue to the bond insurance companies to receive a quote on bond insurance. He will evaluate the quote to see if the bond insurance is cost effective. Mr. Arteberry stated that there is only one bond insurance company at this time. The municipal bond market has been strong and stable the past year. The bonds are backed by the special assessments and the full faith and credit of the City to levy taxes. Commissioner Taylor inquired who is responsible for due diligence in this type of situation. Mr. Arteberry stated that in late 2009, he presented the Commission with scenarios and reported at that time that there were a certain number of mills projected to cover the amounts if the owners did not pay the special assessments. If they don't pay, the City at large is responsible; this is the worst case scenario. Assistant City Manager, Mike Guinn, stated that he has been working with the County on who has paid their 2009 taxes and who has not. Mr. Arteberry stated that a delinquency rate of 30% has been projected. This rate may have to be increased. He stated that investors understand the growth rate in Junction City and the pace of how the land is selling and that the special assessments are fairly high. All of this information is disclosed to investors. Investors are informed of the collection rate of special assessments and taxes at large. City Attorney, Katie Logan, stated that gaps exist in the process for remedies in the State of Kansas and the City must follow the time frame set by the State between issuing special assessments and foreclosure. Representative Craft is currently working to reduce the timeframe.

Mayor Heldstab opened the **public hearing** for the purpose of any and all oral or written objections to proposed assessments in connection with the following described improvements:

Project No. 1 - Turkey Ridge Addition and Replat of all of Lots 2 thru 16, Block 1, and all of Kestrel Drive, and Falcon Street Right-of-ways, Turkey Ridge Addition - Street, Sanitary Sewer, Storm Sewer and Water Main Improvements

Project No. 2 - Turkey Hollow Addition - Street, Sanitary Sewer, Storm Sewer and Water Main Improvements

Project No. 3 - Mann's Ranch Addition - Sanitary Sewer, Storm Sewer and Water Main Improvements

Project No. 4 - Mann's Ranch Addition Unit No. 1 - Street Improvements

Project No. 5 - Mann's Ranch Addition Unit No. 2 - Sanitary Sewer, Storm Sewer and Water Main Improvements

Project No. 6 - Mann's Ranch Addition Unit No. 2 - Street Improvements

Project No. 7 - Deer Creek Addition Unit No. 3 - Street, Sanitary Sewer, Storm Sewer and Water Main Improvements

Project No. 8 - A Replat of Michael's Run an Addition to Junction City, Kansas - Street, Sanitary Sewer, Storm Sewer and Water Main Improvements

Project No. 9 - Indian Ridge Addition Unit No. 6 - Street, Storm Sewer, Sanitary Sewer and Water Improvements

Project No. 10 - Russell J. Johnson Addition - Street, Storm Sewer, Sanitary Sewer and Water Improvements

Project No. 11 - Doc Hargreaves Hilltop Addition Unit #5 - Street, Sanitary Sewer, Storm Sewer and Water Main Improvements

Project No. 12 - Deer Creek Addition Unit No. 2 - Street, Sanitary Sewer, Storm Sewer and Water Main Improvements

Project No. 13 - Prairie Ridge Addition Unit No. 2 - Street, Sanitary Sewer, Storm Sewer and Water Main Improvements

Project No. 14 - Tom Neal Industrial Park - Street, Storm Sewer, Sanitary Sewer and Water Improvements

Project No. 15 - The Bluffs Addition - Sanitary Sewer and Water Improvements

Project No. 16 - Hickory Hills Addition - Street Improvements

Project No. 17 - Hickory Hills Addition - Storm Sewer, Sanitary Sewer and Water Improvements

Project No. 18 - Garfield Garden Homes - Sanitary Sewer and Water Improvements

Commissioner Johnson inquired if Turkey Ridge and Turkey Hollow are owned by Big D. Assistant City Manager, Mike Guinn, confirmed that both of these areas are owned by Big D and taxes have not been paid as of December 20, 2009. Commissioner Johnson also inquired if Mark Powers owns a small portion in this area. Mr. Guinn confirmed that Mr. Powers does own a small portion of land. Commissioner Taylor inquired why infrastructure was being installed when there isn't any building happening. Mr. Guinn stated that the Sunrise development had applied for tax credits; however the developer was denied the tax credits which stopped their project.

Commissioner Johnson stated that Mann's Ranch is in the hands of Core First Bank and he believes the bank should be present at the public hearing. City Attorney, Katie Logan, stated that all of the owners have been notified of the public hearing and that a no show could indicate they do not have any objections to the special assessments. The improvements haven already been paid for; this action will move the temporary financing to permanent financing. Mr. Arteberry stated that this is an opportunity to have development begin and to insulate the City to prepare for eventuality if the areas are not developed. The special assessment delinquency will require the City to increase the mil levy in 2011.

Ms. Krystal Dickinson, 2129 Deer Trail stated that the letter she received about the special assessments was vague and she wants an explanation of why the City wants her to pay more than \$20,000 over twenty years. Ms. Dickinson stated that she only gets so much for BAH. It was her understanding that the special assessments wouldn't happen until late 2011. She stated that she does not have a street to get to her home; she must go through a parking lot and she wants a street to her home. Ms. Logan stated that the extension of Nicole Lane is not included in the special assessment amounts. Mr. Guinn stated that KDOT stopped the extension of Nicole Lane to Highway 77. Nicole Lane will eventually be

joined to Rucker Road; the funding is not available at this time. Staff is currently researching a grant for intersections that the City received to see what can be included.

Commissioner Johnson inquired if Michael's Run included the cost of street lighting. Mr. Guinn stated that Westar installed the lighting and it was not included in the special assessments. Mr. Guinn also stated that the lighting in Hunter's Ridge and Hargreaves was provided by the City because the lighting is with DS&O. Mr. Mark Edwards stated that he appears before the Commission on behalf of Ernie Basek. Mr. Basek has developed nine of 32 lots in Michael's Run. Mr. Edwards stated that they want the interest capitalized on this for one year. Mr. Edwards stated that there has not been an objective presented as to why the interest can't be capitalized for one year. Mr. Edwards stated that in April 2009, a statement was received from the City with an estimate for special assessments of approximately \$15,000; the special assessments are now more than \$24,000. Mr. Edwards stated that they would like the interest schedule changed; the area has not been replatted. Mr. Guinn stated that the area has been replatted twice which could explain the increase in the special assessment amounts. If the specials are delayed by a year, an additional \$1,500 to \$1,700 per lot could be assessed.

Mr. Mark Rosa, 307 Caroline Court, stated that he moved to Junction City instead of Manhattan based on a lower estimate of special assessments of \$15,000.

Mr. Ken Davis, 319 Caroline Court, questioned the difference between the estimated special assessments and the final amounts. Leon Osbourn with Kaw Valley Engineering stated that the lots were divided into smaller lots; however the lots are still quite large. The City at large is responsible for 16% of the cost of the special assessments.

Commissioner Johnson stated that the City's portion of the special assessments has varied from project to project. This should not happen.

Mr. Ernie Basek, 646 W. 3rd, Junction City, Kansas, complimented the Commission on their efforts. Mr. Basek stated that the City has always provided a lift station for developments. He realizes that things have changed; however, he understood that the City's responsibility at 16% was because the area included a lift station. Mr. Basek stated that he appreciates the Commission's consideration of his request to delay the special assessments for one year.

Mr. Larry Johnson, 1318 College Lane, Manhattan, Kansas stated that his family donated the land to the City so that Nicole Lane could be joined with Highway 77. Mr. Johnson requests the special assessments be delayed until Nicole Lane can be joined with Highway 77 or joined to Rucker Road. Ms. Logan stated that the cost of extending Nicole Lane is not included in the special assessments. Mr. Johnson stated that his family would not have donated the land if they knew the project wasn't going to be finished and Nicole Lane would not have access to Highway 77. Mr. Osbourn stated that they had preliminary indications from KDOT that Nicole Lane would be approved to join Highway 77. The US Highway 77 Corridor Study stopped the extension. Ms. Logan stated that it is dangerous for the City to delay the special assessments for reasons having no relation to the special assessments. Ms. Logan stated that the City has already paid for the improvements that have benefited the owners.

Mr. Arteberry stated that certain projects have reached their limit on temporary notes. Some projects can be extended; however the goal is to create an executable plan for permanent financing. If the Commission delays the special assessments, the delay could create a debt capacity issue for the City.

Mr. Larry Johnson stated that the extension of Nicole Lane is related because his family probably wouldn't have donated the land if they knew the project wasn't going to be completed.

Mr. Mark Edwards presented the Commission with a letter dated February 16, 2010 and addressed the Commission with regards to the Doc Hargreaves Hilltop Addition and stated that KDOT did not tell the City they couldn't connect Nicole Lane to Highway 77. The City decided to withdraw the petition, not KDOT. He stated his clients asked the City to finish Nicole Lane last summer and no action was taken by the City. Mr. Edwards stated that the street lights are part of the project even though the City says they are not. There was money spent on Nicole Lane in this project. Mr. Edwards feels he and his clients have given a lot of good reasons why they shouldn't have to pay the special assessments. He believes a complete audit needs to be done before assessing so it can be determined what has been completed on the project. Ms. Logan stated that the spreadsheet shows that Nicole Lane has not been included in the special assessments. This has been verified with Gilmore & Bell. Nicole Lane is separate and apart from the special assessments. It is the opinion of Gilmore & Bell that the work doesn't have to be final; the costs must be determined for the special assessments. The cost of the project is enough to determine the special assessment amounts.

Mr. Arteberry stated that if projects were pulled off, when the specials were done later, the project would bear the brunt of the costs and ultimately, the special assessments would be higher because the amounts would not be spread among the projects; only the projects that were separated.

Mr. Edwards stated that the state statute says special assessments will be levied when the project is complete. Soft costs of Nicole Lane were added to the special assessment amounts. Ms. Logan informed the Commission that she did not receive Mr. Edwards' letter until 5 p.m. today and has not had sufficient time to review his request. The ordinance does allow the City Attorney to authorize mathematical adjustments to the special assessments if the City Attorney can be convinced they need to be made. Mr. Edwards encouraged the Commission to follow the law and not violate it by approving the special assessments. Ms. Logan informed the Commission that the bond counsel recommends the Commission follow through with approving the special assessments.

Commissioner Johnson stated that the group that has Hickory Hills has not paid their taxes.

Mr. Arteberry stated that the temporary notes that are outstanding come due June 1, 2010. Payment must be made by this time and convert the temporary notes into permanent financing before June 1, 2010. Time for a 30-day prepayment period must also be factored in.

Commissioner Johnson inquired if the Bluffs was to have four phases. Mr. Arteberry stated that he recalled at least two phases. Commissioner Johnson stated that it is his understanding that 600 units were built and then the company walked away from the

project. Mr. Arteberry stated that he doesn't recall if infrastructure included the second phase of the project. Mr. Guinn stated that there aren't any utilities on the east side; the specials only include the first 600 units. The special assessments do not include the walking trail or the pond. These were approved on RHID.

Ms. Logan stated that once the public hearing is closed and the Commission takes action, this is the final reading. A pending lawsuit would not necessarily hold up assessing the specials. Ms. Logan stated that she agrees that Nicole Lane has not been included in the special assessments and the bond counsel also agrees.

Mayor Heldstab stated that he would like to have a meeting scheduled with City staff, KDOT, and State Representatives to discuss the extension of Nicole Lane.

Mayor Heldstab closed the public hearing.

- b. Assistant City Manager, Mike Guinn, stated this public hearing is to address Well #18 and improvements at the water plant. Burns & McDonnell will evaluate the proposed improvements to determine which improvements should be done. This is to be funded by the water and sewer fund.

Mayor Heldstab opened the public hearing for a **proposed loan in an amount not to exceed \$2,054,022 to be taken by the City from the Kansas Public Water Supply Loan Fund** administered by KDHE for Well #18.

Mark Sanders, 2726 Glen Dean Road, Junction City, stated that he is concerned how this project will increase taxes for the citizens of Junction City. Mr. Sanders requested that the Commission table item 9b until a more detailed search can be done to see if this is a project that is truly needed.

Mr. Guinn stated that Well #10 will be shut down when Well #18 is completed. There are currently ten wells in operation. Use of the wells rotates to allow for maintenance and repairs. The Kansas Department of Health and Environment requires the Commission to approve the full amount regardless of any grants awarded for this project. If the City delays this project, the money may not be available at a later date from KDHE. Mr. Guinn stated that the improvements are listed in the Water Master Plan; however, dates are not listed for the improvements; only that they need to be done. Commissioner Talley inquired if there was a timeline for the well. Mr. Guinn confirmed that there is a timeline for Well #18. Mr. Guinn stated that the improvements except the generator are listed in the Master Plan. The 2007 ice storm made the generator a priority. Well #10 is at capacity and put on a timeline. The Water Master Plan assists the City in keeping the plant up to the EPA and KDHE standards. Commissioner Rhodes inquired if this project is paid by usage and not by taxes. Mr. Guinn confirmed.

Mayor Heldstab closed the public hearing.

UNFINISHED BUSINESS

- a. The consideration and approval of **Ordinance S-3077**; an ordinance levying special assessments on certain property to pay the costs of internal improvements in the City of Junction City, Kansas as heretofore authorized by RESOLUTION NOS. R-2230, AS AMENDED

BY R-2290, AS AMENDED BY R-2362, R-2232, AS AMENDED BY R-2289, AS AMENDED BY R-2363, R-2349, R-2352, R-2345, R-2353, R-2331, R-2348, R-2271, R-2274, R-2282, R-2254, R-2250, AS AMENDED BY R-2408, R-2476, R-2477, R-2192, R-2475 AND 2478 OF THE CITY; AND PROVIDING FOR THE COLLECTION OF SUCH SPECIAL ASSESSMENTS **(Final Reading)**

Assistant City Manager Guinn Presenting. City Attorney, Katie Logan, informed the Commission that the Commission can direct the City Attorney to review the special assessment amounts and if warranted, the City Attorney can adjust the amounts. David Arteberry with George K. Baum, stated that if the Commission pulls projects from the S-3077, it will complicate the process. The City may have to issue renewal temporary notes which will add a significant amount to the special assessments for the pulled projects. Commissioner Rhodes moved, seconded by Commissioner Taylor to approve Ordinance S-3077 an ordinance levying special assessments on certain property to pay the costs of internal improvements in the City of Junction City, Kansas as heretofore authorized by RESOLUTION NOS. R-2230, AS AMENDED BY R-2290, AS AMENDED BY R-2362, R-2232, AS AMENDED BY R-2289, AS AMENDED BY R-2363, R-2349, R-2352, R-2345, R-2353, R-2331, R-2348, R-2271, R-2274, R-2282, R-2254, R-2250, AS AMENDED BY R-2408, R-2476, R-2477, R-2192, R-2475 AND 2478 OF THE CITY; AND PROVIDING FOR THE COLLECTION OF SUCH SPECIAL ASSESSMENTS. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: None. Motion Carried.

- b. The consideration and approval of **R-2593** authorizing the completion of an application to the Kansas Department of Health and Environment regarding a loan for \$2,054,022 from the Kansas Water Supply Loan Fund for the construction of Well #18. **Assistant City Manager Mike Guinn Presenting.** Assistant City Manager, Mike Guinn, informed the Commission that Burns & McDonnell conducted a study and determined it is critical to replace Well #10 with Well #18. This action is for application only. Commissioner Taylor moved, seconded by Commissioner Rhodes to approve R-2593 authorizing the completion of an application to the Kansas Department of Health and Environment regarding a loan for \$2,054,022 from the Kansas Water Supply Loan Fund for the construction of Well #18. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: None. Motion Carried.
- c. A discussion with the City Commission regarding the sale of City owned property. **Assistant City Manager Mike Guinn Presenting.** Assistant City Manager, Mike Guinn, stated that he has received several inquiries on the City owned properties that are for sale. He requested direction from the Commission on how they want to handle the inquiries. Commissioners Taylor and Rhodes stated they would like to have sealed bids. The Commission directed Mr. Guinn to run an ad with a deadline for submitting sealed bids. Mr. Guinn will return to the Commission with the results at the April 6, 2010 Commission meeting.

NEW BUSINESS

- a. The consideration and approval of **award of bid to Stevens Contractors in the amount of \$14,464.00** for the extension of a sanitary sewer line for Jerry Conrow on Old 40 Highway. **Assistant City Manager Mike Guinn Presenting.** Assistant City Manager, Mike Guinn, informed the Commission that the septic tank at this address is failing. The property was annexed into the City. Once the septic system fails, the extension of a sanitary sewer line is required. Mr. Guinn stated that two bids were received to extend the sanitary sewer line from the City main to the property line. The owner is responsible from the property line

to the house. Commissioner Taylor moved, seconded by Commissioner Johnson to approve the award of bid to Stevens Contractors in the amount of \$14,464.00 for the extension of a sanitary sewer line for Jerry Conrow on Old 40 Highway. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: None. Motion Carried.

COMMISSIONER COMMENTS

Commissioner Taylor inquired if the meetings can be recorded. City Manager, Gerry Vernon stated that he is meeting with the City Clerk later in the week to discuss the City's record retention policy. Commissioner Taylor also inquired if the Spirit of '76 was still needed and is concerned with their activities and openness. City Attorney, Katie Logan, stated that in some of the current EDC bond issues, the Spirit of '76 is a party so it can't be eliminated until those issues are completed. Commissioner Taylor inquired about the box seats at the Opera House that people donated and have their names on. He questioned if the people have not made their donations as stated, can their names be removed from the box seats? Mr. Guinn stated he would research this and get back to the Commission.

Commissioner Johnson stated that he was glad to see that more people attended the meeting tonight. Commissioner Johnson stated that everyone should really study everything before taking action. Commissioner Johnson inquired about having \$64,000 in ambulance charges and only collecting \$37,000. Fire Chief, Mike Steinfort, stated that the City probably wouldn't be able to collect the difference.

Commissioner Talley inquired about the status of the Riverwalk pond. Leon Osbourn with Kaw Valley Engineering stated they are waiting for the weather to be better before proceeding.

Commissioner Rhodes stated that he received a compliment from a citizen that they were very pleased with the way Rucker Road turned out as well as the medians on Westwood Boulevard.

Mayor Heldstab welcomed Gerry Vernon as the new City Manager and congratulated Tim Brown on being selected as the new Chief of Police. Mayor Heldstab thanked the Sanitation Crews at Veolia. He spent a day with the crews collecting trash and he appreciates the opportunity to spend the day with the crews. Mayor Heldstab stated that he wanted to address rumors about him and the Neighborhood Revitalization Program. He has never applied for the NRP for his residence. He did apply for the NRP for a building he owns in the downtown area. Mayor Heldstab encouraged anyone who has questions, to call or request to meet and he would be happy to do that.

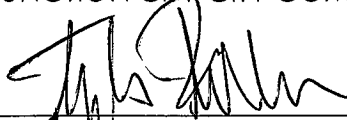
STAFF COMMENTS

City Attorney Katie Logan stated that BKD is ready to make their presentation to the City Commission regarding their investigation. They will present to the Commission at the March 2, 2010 Commission meeting. BKD will not provide copies of the results ahead of the meeting. If requested, BKD will return to the March 16, 2010 Commission meeting to answer any questions.

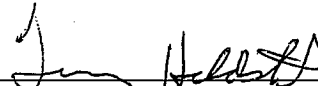
ADJOURNMENT

Commissioner Rhodes moved, seconded by Commissioner Taylor to adjourn at 11:01 PM. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: None. Motion Carried.

APPROVED AND ACCEPTED THIS 2nd DAY OF MARCH 2010 AS THE OFFICIAL COPY OF THE JUNCTION CITY CITY COMMISSION MINUTES FOR FEBRUARY 16, 2010.



Tyler Ficken, City Clerk



Terry Heldstab, Mayor